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Pakistan cancels 21 LNG cargoes from Eni

Seeks to renegotiate Qatar supplies amid demand slump

KARACHI: Pakistan has struck a deal to cancel 21 liquefied natural gas cargoes under its long-term contract with Italy's Eni as part of a plan to curb excess imports that have flooded its gas network, according to an official document and two sources.

The document from state-owned Pakistan LNG Ltd (PLL) to the country's Ministry of Energy dated Oct 22 said 11 cargoes planned for 2026 and 10 for 2027 would be cancelled at the request of gas distributor Sui Northern Gas Pipeline Ltd (SNGPL).

Only the planned January shipment in both years, and the December shipment in 2027, would be retained to meet peak winter demand, according to the document, reviewed by Reuters.

Two sources familiar with the matter in Pakistan said that Eni had agreed to the move under the contract's flexibility provisions. LNG is in strong demand globally, and suppliers typically stand to earn more by selling cargoes in the spot market than under long-term contracts.

Eni declined to comment. PLL, SNGPL, and Pakistan's petroleum ministry did not reply to requests for comment.

Supplies from Qatar

PLL's move marks one of Pakistan's most significant steps yet to rein in LNG purchases as rising renewable generation and lower industrial demand leave it with surplus imported gas.

Eni signed a long-term LNG supply deal with PLL in 2017, committing to deliver one cargo per month until 2032, with the option to divert shipments to other destinations.

The first source, and a third, said that Pakistan was also in talks with Qatar about gas supplies from the Gulf state, with options including deferring some cargoes or reselling them under existing contract clauses. Last week a technical team visited Karachi to schedule the cargoes. The talks are ongoing and no decision has been reached, the first and third sources said.

QatarEnergy did not immediately respond to a request for comment.

Demand slump

Pakistan's long-term LNG supply deals with Qatar and Eni together cover around 120 cargoes a year, including on average nine a month from two Qatari contracts and one from Eni.

But Pakistan's LNG imports have fallen sharply this year as demand from power producers dropped amid higher solar and hydropower output.

Lower gas use by power plants and industrial units generating their own electricity have added to the surplus, leaving the system significantly oversupplied for the first time in years.

The glut has forced Pakistan to sell gas at steep discounts, curb local production, and consider offshore storage or reselling excess cargoes, according to government presentations reviewed by Reuters.

Eni's last delivered cargo to Pakistan was received at the GasPort terminal on January 3, according to Kpler data. The first source, and a fourth one, said Pakistan had also agreed a deal with Eni not to receive any further cargoes in 2025.

Eni shipped out 12 cargoes to Pakistan in 2024. —Reuters

KATI rejects fuel cost charges on KE consumers

KARACHI: The President of the Korangi Association of Trade and Industry (KATI), Muhammad Ikram Rajput, has vehemently condemned the National Electric Power Regulatory Authority's (Nepra) and Power Division's decision to impose Fuel Cost Adjustment (FCA) and Fuel Cost Component (FCC) charges on K-Electric consumers for the FY24.

Rajput described the move as "unacceptable," arguing that it unfairly burdens both the people and industries of Karachi.

He highlighted that, according to Nepra's documents, the decision will extract nearly Rs28 billion from Karachi's consumers. In contrast, the Rs33bn relief package promised to the city's industries during the Covid-19 pandemic has yet to be disbursed.

"Rather than offering relief, the government is retracting its previous commitments and imposing new financial burdens that could severely damage Karachi's industrial base," Rajput said.

While K-Electric's multi-year tariff (MYT) is still under review, Rajput expressed concern that authorities are revisiting past decisions, exacerbating uncertainty for the business community.

He accused Nepra of undermining its own claims of transparency by altering previous rulings and introducing fresh liabilities, actions he argued go against the fundamental purpose of the MYT framework.

Rajput also pointed out that the current tariff of Rs32.57 per unit for K-Electric is significantly lower than tariffs imposed on other distribution companies across the country. Yet, Karachi's industries are being forced to subsidise power utilities in other regions that are running at a loss. "This is grossly unjust and cannot be accepted," he stressed. —Staff Reporter

US DOLLAR	BUYING Rs281.40 SELLING Rs281.90	EURO	BUYING Rs323.39 SELLING Rs326.86
GBP	BUYING Rs368.23 SELLING Rs373.14	UAE DIRHAM	BUYING Rs76.67 SELLING Rs77.50
KSA RIYAL	BUYING Rs74.96 SELLING Rs75.58	GOLD	TOLA Rs420,362 10 GMS Rs360,392

Trade deficit surges 56pc in October

- Exports fall 4pc YoY to $10.448bn, while imports surge 15pc to $23.03bn in 4MFY26
- Experts warn of limited space for structural reforms amid growing economic pressures

By Shahid Iqbal

KARACHI: Pakistan's economic recovery faces mounting pressure as key indicators, including trade deficits and inflation, show worrying trends.

The trade deficit in October surged 56 per cent year-on-year (YoY) to $3.2bn, according to data released by the Pakistan Bureau of Statistics on Tuesday. While this was 4pc lower than September's deficit, the sharp rise reflects sustained pressure on the country's external account.

Cumulative figures for July-October FY26 show the trade deficit widened 38pc YoY to $12.582bn, up from $9.115bn during the same period last fiscal year. Analysts attribute this increase to a combination of rising imports and declining exports.

Exports during the first four months fell 4pc YoY to $10.448bn, while imports surged 15pc to $23.03bn. October exports were 4pc higher than September, but monthly imports crossed the $6bn mark for the first time in nearly three years, compared to $5bn in October FY25.

Economic experts caution that unchecked import growth could further widen the trade deficit, jeopardising the possibility of a current account surplus, boosting State Bank reserves, and maintaining a stable exchange rate. Conversely, restricting imports could slow economic growth, threaten jobs, and push poverty rates higher.

Meanwhile, inflation rose to 6.2pc in October, the highest of the year, but still within the Ministry of Finance's projected range of 6.8-7.2pc for 2025-26. Core inflation, however, remains persistently high at over 7.5pc, limiting room for meaningful structural reforms.

Finance Minister Muhammad Aurangzeb has maintained that the economy is stable, emphasising the need for reforms to boost GDP growth. Yet analysts warn that the widening trade deficit and persistent inflation could constrain the government's ability to implement growth-friendly policies.

Hopes of stimulating growth through foreign investment remain central to government strategy. However, rising import bills and sluggish export performance suggest that economic recovery may remain fragile unless decisive measures are taken to balance trade, manage inflation, and strengthen industrial output.

Pakistan now faces a critical crossroad: allowing imports to expand risks eroding current account gains, while restricting them could slow economic growth, increase unemployment, and exacerbate poverty — a delicate balance that will define FY26's economic trajectory.

DURING his visit to KCCI on Tuesday, the maritime minister unveiled plans for fleet modernisation, shipbuilding facilities and industrial partnerships aimed at revitalising Pakistan's shipping industry.—Dawn/file

Govt plans industrial park at KPT, fleet expansion

Maritime minister urges private sector to invest in shipping infrastructure

By Our Staff Reporter

KARACHI: Minister for Maritime Affairs Muhammad Junaid Anwar has invited proposals from the business community for the development of 140 acres of Karachi Port Trust (KPT) land, proposing a joint venture model where the port acts as a strategic partner to establish an industrial park.

Speaking at the Karachi Chamber of Commerce and Industry (KCCI) on Tuesday, Mr Anwar urged businesspeople to invest in Pakistan's shipping sector, noting that global trade volumes are projected to expand significantly in the coming years. He said the government welcomes both local and foreign investors to participate in building the country's most modern terminal.

He proposed that the private sector form a consortium, assuring that the government would provide the land while operations would remain privately managed. The minister added that he would act as a "neutral mediator" to address concerns of both the business community and shipping agents, pledging the ministry's full support for legitimate grievances raised by the KCCI.

Mr Junaid said the Pakistan National Shipping Corporation (PNSC) alone could not absorb the burden of reducing freight-related losses. The government plans to expand the PNSC fleet by 50pc, with contracts for five new vessels nearing completion. He said the PNSC's target of 30 vessels, initially planned for three years, should now be achieved within a year, underscoring the urgency of fleet modernisation.

The minister reiterated his commitment to prohibit any real estate dealings on port land, insisting that such areas should be used strictly for trade, logistics, and industrial purposes. He said Pakistan's long-term vision is to achieve 100pc port capacity utilisation by 2047, in line with the country's industrial expansion.

On Gwadar's development, Mr Anwar said the port would thrive only once the business community sets up factories and industries there. He cited opportunities in tuna fish processing, date exports, and livestock trade with China, adding that the security situation in Gwadar is now "better than Karachi". He also revealed plans for a Pakistan Maritime Industrial Zone on 700 acres, featuring shipbuilding facilities, a steel melting unit, and a ship-breaking yard.

Meanwhile, Businessmen Group (BMG) Chairman Zubair Motiwala urged the construction of a Karachi bypass road to ease traffic congestion caused by heavy port traffic. He said the Sindh government, which currently holds over Rs250bn from the Infrastructure Development Cess, should allocate Rs70-80bn to fund this essential corridor.

He also suggested leasing PNSC vessels to the private sector to improve efficiency and strengthen the national fleet.

BMG Vice-Chairman Jawed Bilwani highlighted persistent industrial challenges, including high energy costs and gas shortages, while KCCI President Muhammad Rehan Hanif criticised congestion at the Karachi International Container Terminal (KICT) and the

Project launched to forecast water availability

By Khaleeq Kiani

ISLAMABAD: To improve the assessment process of intra-season water availability in the wake of climate change challenges, the government has started implementing a project across the country with technical and financial support from Australia.

Under the Climate Resilient and Adaptive Water Allocation (CRAWAP) programme, Canberra has provided a three million grant (in Australian dollars) for capacity building of the Indus River System Authority (Irsa) and all the four provincial governments to improve intra-season water availability forecast over a period of five years.

At a recent meeting with an Australian team, presided over by Irsa chairman Amjad Saeed, preparations for implementation of the project were reviewed. The meeting was attended by the authority's members representing the federal government, as well as the Sindh and Khyber Pakhtunkhwa governments.

The Australian team comprised Dr Neil Lazarow, Dr Mobin-ud-Din Ahmad, and Ms Susan Cuddy.

The Australians commended Pakistan's efforts in managing the Indus Basin Irrigation System (IBIS), the world's largest contiguous irrigation network. The members briefed the Pakistani side about ways to enhance the Water Apportionment Accord Tool (WAATool) spatial resolution — from system zones to canal commands and river reaches, both at the federal and provincial levels.

Benefits of new mechanism

At the federal level, the Tool assists Irsa in surface water allocation, contributing to improvement in forecast of inflows. At the provincial level, research is underway to shift from supply-based warabandi to demand-based irrigation, using tools like soil moisture meters implemented in Khikhi distributary subsystem located in Toba Tek Singh district.

The project includes initiatives like distributary-level ponds, kitchen gardening to engage rural women, and exploring the application of artificial intelligence.

It would also strengthen Irsa's research and development capacity.

Two Australian institutions — CSIRO and ACIAR — helped Pakistan put in place the WAATool between 2018 and 2022. Since Dec 2020, it has been used for seasonal planning, reservoir operations, and inter-provincial water distribution under the 1991 accord.

To sustain its impact, Irsa had requested the Australian side to support broader and deeper training and expanding the Tool's role in intra-season allocation planning to address climate-driven hydrological uncertainties. Australia agreed to support "Climate Resilient and Adaptive Water Allocation in Pakistan (CRAWAP)" over a period of five years.

The project seeks to improve canal water reliability through improved water allocation decisions and practices by updating the WAATool to include mid-season planning and operations and exploring on-farm water storage options aimed at building climate resilience, adaptive management, and equitable water use for better social and economic outcomes for farming communities.

The WAATool can augment the system's capacity to explore alternative system operational rules, bring in more transparency, efficiency and equity in water sharing and quantify impacts of different interpretations.

Oil sales inch up 4pc in 4MFY26

By Our Staff Reporter

KARACHI: Oil marketing companies (OMCs) recorded total sales of 1.5 million tonnes in October, remaining flat year-on-year (YoY) but rising 9pc month-on-month (MoM), driven mainly by higher diesel consumption during the harvesting season.

According to Myesha Sohail of Topline Securities, the MoM growth was supported by a rebound in high-speed diesel (HSD) demand following the end of monsoon rains and flooding across the country.

Cumulative OMC sales reached 5.4 million tonnes in the first four months of FY26 (4MFY26), reflecting a 4pc YoY increase compared to 5.2m tonnes in the same period of FY25.

Petrol sales declined 2pc YoY and 4pc MoM to 657,000 tonnes in October. However, cumulative petrol sales for 4MFY26 rose 4pc to 2.628m tonnes compared with the same period last year.

HSD sales grew 4pc YoY and 21pc MoM to 714,000 tonnes in October. Total diesel sales during 4MFY26 reached 2.336m tonnes, marking an 11pc increase from the previous fiscal period.

Meanwhile, furnace oil (FO) sales fell sharply by 52pc YoY to 28,000 tonnes, although they surged 108pc MoM due to intermittent demand from power producers. Cumulative FO sales for 4MFY26 stood at 75,000 tonnes, down 72pc compared with the same period last year.

According to the report, Cynergy, Pakistan State Oil (PSO) and Pearl PARCO were the leading sellers of furnace oil during October.

Ms Sohail noted that overall oil sales in FY26 are expected to grow between 7pc and 10pc, supported by stronger economic activity, higher transportation demand, and improving agricultural output.

PPL begins oil output at Dhok Sultan

KARACHI: Pakistan Petroleum Ltd (PPL) has commenced oil production from the Dhok Sultan-03 well under an Appraisal and Extended Well Testing (EWT) arrangement, effective Nov 1, the company said in a statement.

The Dhok Sultan Block, located in District Attock, Punjab, is operated by PPL with a 75pc working interest.

Oil from the Dhok Sultan-03 well is being processed at the Dhok Sultan Oil Handling Facility, while gas is transported to the Meyal Gas Processing Facility. Under government-designated arrangements, oil is being supplied to Attock Refinery Ltd (ARL) and gas to Sui SNGPL.—Staff Reporter

PSX slips 1,522 points on political uncertainty

By Muhammad Kashif

KARACHI: After a sharp two-day rally, the Pakistan Stock Exchange (PSX) on Tuesday lost momentum as investors took profits amid uncertainty over the proposed 27th constitutional amendment, which has sparked intense political debate.

According to Ali Najib, Deputy Head of Trading at Arif Habib Ltd, consolidation persisted at the bourse as the benchmark KSE-100 index fluctuated throughout the day before closing at 161,281.77 points, down 1,521.39 points, or 0.93 per cent.

The index opened on a firm note, touching an intraday high of 163,385 points, up 582 points or 0.36pc, before reversing course amid profit-taking. It hit an intraday low of 161,159 points, down 1,644 points or 1.01pc, as sentiment weakened.

Analysts attributed the pullback to investor caution following a statement hinting at possible geopolitical tensions on the eastern border.

The news prompted market participants to lock in gains after consecutive bullish sessions that had lifted the benchmark to record highs.

Sector-wise, selling pressure was noted in fertiliser, banking, exploration and production (E&P), and technology sectors, which collectively dragged the index lower.

Market participation also weakened, as overall trading volume dropped 5.26pc to 899 million shares, while the traded value declined 21.57pc to Rs37.2bn compared with the previous session. WorldCall Telecom once again dominated the volume chart with 78.8m shares changing hands.

Topline Securities Ltd reported that blue-chip stocks, including Engro Corporation, Mari Energies, Bank Al Habib, MCB Bank, and TRG contributed a combined 543-point decline in the index.

Despite Tuesday's correction, analysts believe the broader market trend remains stable.

They expect consolidation to continue within the 160,000–170,000 range. As long as the benchmark sustains above the key 160,000 support level, gradual upward momentum may resume, potentially pushing the index beyond 165,000 later this week.

PAKISTAN STOCK EXCHANGE

THE TOP FIVERS

GAINERS		LOSERS		LEADERS*	
Pakistan Services	115.61	Unilever Foods	186.46	WorldCall Telecom	78.87
Ismail Industries	35.59	PIA Holding CoB	27.55	Telecard Ltd	76.86
Sapphire Textile	31.53	Sazgar Engg	21.76	K-Electric	71.62
Blessed Textiles	27.32	Atlas Honda	19.84	Hascol Petroleum	67.83
The Thal Industries	22.33	Service Industries	18.58	First Nat'l Equities	43.20

(Share values in rupees) * Volume in millions of traded shares

ACTIVITY

Total listed	532
Active	479
Gainers	133
Losers	314

PARTICIPANTS

Foreign	▼$2.53m
Companies	▲$0.45m
Banks	▲$1.38m
Mutual Funds	▼$2.90m
Individuals	▲$1.87m

INDICATORS

	Tuesday	Previous		Change
KSE 100-SHARE INDEX (Points)	161,281.77	162,803.16	▼	1,521.39
KSE 30-SHARE INDEX (Points)	48,994.96	49,497.35	▼	502.39
MARKET CAPITAL (Rs billion)	18,472.173	18,642.513	▼	170.339
TRADING VALUE (Rs billion)	37.314	47.581	▼	10.267